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E.O. 12356 DECL: OADR
TAGS: PREL, SNAR, BU, US
SUBJECT: HOUSE HEARINGS ON BULGARIAN CONNECTION, DRUGS

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: IN CONGRESSIONAL HEARINGS JULY 24, EUR ASST SECRETARY BURT REGISTERED DEPT'S DEEP CONCERN OVER REPORTS AND EVIDENCE OF BULGARIAN TOLERATION OF AND INVOLVEMENT IN ILLICIT NARCOTICS AND ARMS TRAFFICKING AND SUPPORT FOR TERRORIST GROUPS. HE EMPHASIZED OUR COMPLETE FAITH IN THE INTEGRITY OF THE ITALIAN INVESTIGATION OF ALLEGED BULGARIAN COMPLICITY IN THE ATTEMPTED ASSASSINATION OF THE POPE AND STRESSED THE THOROUGH AND IMPARTIAL MANNER IN WHICH THE ITALIANS ARE PROCEEDING. BURT ALSO NOTED THAT SENIOR ITALIAN POLITICAL AUTHORITIES RECENTLY INFORMED US OF THEIR CONCERN THAT PUBLIC STATEMENTS HERE ON BULGARIA ARE UNHELPFUL IN THAT THEY CONVEY THE APPEARANCE OF EXTERNAL PRESSURE THAT COULD DISCREDIT THE IMPARTIALITY OF THE INVESTIGATION. BURT URGED THAT THE COMPREHENSIVE STUDY OF U.S. POLICY TOWARD BULGARIA CALLED FOR IN H.R.5980 BE DELAYED UNTIL THE ITALIANS COMPLETE THEIR INVESTIGATION AND THE RESULTS OF AN EVENTUAL TRIAL ARE KNOWN. THE COMMISSIONER OF CUSTOMS SUPPORTED H.CON.RES.337 CALLING FOR A PUBLIC REVIEW OF BULGARIAN ABUSE OF THE TIR SYSTEM. ADMINISTRATION WITNESSES WERE ASKED TO COORDINATE A JOINT ADMINISTRATION POSITION ON THE TWO PIECES OF LEGISLATION UNDER CONSIDERATION. END SUMMARY

3. THE JOINT HEARINGS JULY 24 BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE'S SUBCOMMITTEE FOR EAST EUROPE AND THE MIDDLE EAST AND THE TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL HEARD TESTIMONY ON TWO BILLS: H.CON.RES 337 (CALLING ON THE USG TO INITIATE A REVIEW OF THE TIR CONVENTION TO CONSIDER BULGARIAN ABUSES) AND H.R.5980 (CALLING FOR AN NSC STUDY OF OUR RELATIONS WITH BULGARIA). THE MEMBERS HEARD FROM THE FOLLOWING WITNESSES: NEW YORK SENATOR ALFONSE D'AMATO, FORMER U.S.

~~CONFIDENTIAL~~

CONFIDENTIAL

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PAGE 002
TOR: 251348Z JUL 84

NC 4757301

AMBASSADOR TO BULGARIA JACK PERRY, READER'S DIGEST EDITOR NATHAN ADAMS, EUR ASST SECY RICHARD BURT, COMMISSIONER OF CUSTOMS WILLIAM VON RAAB, AND ACTING DEPUTY ADMINISTRATOR OF THE DRUG ENFORCEMENT ADMINISTRATION (DEA) JOHN LAWN.

4. SENATOR D'AMATO CHARGED THE BULGARIANS WITH OPERATING AND SUPPORTING AN INTERNATIONAL DRUG TRAFFICKING, GUN RUNNING AND TERRORIST NETWORK THAT HAS BEEN SANCTIONED AND QUIETLY SUPPORTED BY THE SOVIET UNION. THE SENATOR REPEATED THE CHARGE (RAISED BY DEA DURING THE JUNE 7 HEARINGS AND CORRECTED DURING THE JULY 24 HEARINGS) THAT 25 PERCENT OF THE HEROIN BROUGHT INTO THE THE UNITED STATES EACH YEAR PASSES THROUGH BULGARIA. D'AMATO STRESSED THE LIKELIHOOD THAT THE SOVIET UNION WAS CONNECTED WITH WITH ANY OPERATION OF SUCH MAGNITUDE, AND WITH THE ATTACK ON THE POPE AS WELL. THE SENATOR, A SUPPORTER OF THE HELMS AMENDMENT, ADDED THAT FAILURE OF THE USG TO MAKE A CONCERTED FORTHRIGHT CONDEMNATION OF BULGARIA WOULD BE USED BY THE SOVIETS AS A PROPAGANDA TOOL TO SHOW THAT THE USG DID NOT THINK THERE WAS SUFFICIENT EVIDENCE AGAINST THEM. HE URGED THE HOUSE TO ENACT THE PROPOSED LEGISLATION TO SEND A STRONG SIGNAL THAT THE USG WILL NOT TOLERATE NATIONS THAT ENGAGE IN NARCOTICS TRAFFIC.

5. FORMER AMBASSADOR PERRY URGED THE COMMITTEE TO TAKE NO ACTION THAT WOULD FORCE THE BULGARIANS TO RETURN TOTALLY TO THE SOVIET FOLD, AN ACTION THAT HE FELT WOULD MAKE THE SOVIETS HAPPIER THAN IT WOULD US. HE POINTED OUT THAT THE HOUSE RESOLUTIONS WOULD BE HASTY AND PREMATURE, SINCE ALL THE EVIDENCE IS NOT IN, AND WOULD PUT THE USG FAR OUT IN FRONT OF OUR ALLIES.

6. NATHAN ADAMS, A SENIOR EDITOR WITH READER'S DIGEST, REPEATED MUCH OF THE SAME MATERIAL PRESENTED IN THE

NOVEMBER, 1983, READER'S DIGEST ARTICLE CONCERNING THE BULGARIAN ARMS FOR DRUGS TRADE. HE ADDED SOME NEW ELEMENTS:

- IN OCTOBER 1983, A TERRORIST MEETING WAS HELD IN VARNA, ATTENDED BY GEORGE HABBASH'S ORGANIZATION, "PURPORTEDLY" MEMBERS OF ISLAMIC JIHAD, LIBYAN REPRESENTATIVES AS WELL AS SYRIAN, SOVIET, EAST GERMAN AND BULGARIAN INTELLIGENCE OFFICIERS;
- EVIDENCE OF ARMS SHIPMENTS TO NORTH YEMEN IN LATE 1983;
- THE FREIGHTER LOAD OF ARMS BOUND FROM BURGAS TO NORTH YEMEN, FOR WHICH PAYMENT WAS ALLEGEDLY MADE IN THE FORM OF DRUGS.

7. BURT'S WRITTEN STATEMENT HAS BEEN TRANSMITTED SEPTEL. HE NOTED IN ADDITION THAT SENIOR ITALIAN AUTHORITIES HAVE ASKED US TO AVOID ANY ACTION THAT WOULD BE SEEN AS PRESSURE AGAINST THE ITALIANS, AND THAT, SPECIFICALLY, CONGRESSIONAL RESOLUTIONS ON BULGARIA BEFORE THE INVESTIGATION IS COMPLETED WERE NOT HELPFUL. HE EMPHASIZED THAT THE USG HAS COMPLETE FAITH IN THE THOROUGHNESS AND IMPARTIALITY OF THE ITALIAN INVESTIGATION.

8. DEA'S LAWN BRIEFLY REVIEWED HIS TESTIMONY ON BULGARIAN INVOLVEMENT IN NARCOTICS TRAFFICKING PROVIDED IN HIS JULY 7 APPEARANCE BEFORE THE FEIGHAN TASK FORCE. HE ALSO PRESENTED THE COMMITTEE WITH THE UNCLASSIFIED VERSION OF DEA'S REPORT ON BULGARIAN INVOLVEMENT WITH DRUGS.

9. CUSTOMS COMMISSIONER VON RAAB REVIEWED THE HISTORY OF CUSTOMS COOPERATION WITH THE BULGARIANS, AND THE BULGARIAN INACTION THAT LED TO THE SUSPENSION OF

CONFIDENTIAL

CONFIDENTIAL

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PAGE 003

NC 4757301

TOR: 251348Z JUL 84

COOPERATION. VON RAAB SAID THAT CUSTOMS WOULD SUPPORT THE PASSAGE OF THE BILL CALLING FOR AN INTERNATIONAL REVIEW OF BULGARIA'S ABUSES OF THE TIR CONVENTION. SUCH A REVIEW WOULD PUT BULGARIA'S ALLEGED ABUSES BEFORE A WORLD FORUM, AND WOULD GIVE THE BULGARIANS A CHANCE TO REPLY.

10. DURING SUBSEQUENT QUESTIONING OF THE WITNESSES, FEIGHAN ASKED IF STATE WOULD SUPPORT THE BILLS IF THE PORTIONS REFERRING TO ALLEGATIONS OF BULGARIAN COMPLICITY IN THE PAPAL ASSASSINATION WERE DROPPED. BURT REPEATED THE STATEMENT IN HIS TESTIMONY THAT THE DEPARTMENT WOULD FAVOR A COMPLETE REVIEW OF USG POLICY TOWARD BULGARIA, BUT THAT LEGISLATION PROPOSING A COMPREHENSIVE REVIEW AT THIS TIME, EVEN WITHOUT MENTION OF THE PAPAL ASSASSINATION, WOULD BE SEEN BOTH IN ITALY AND ELSEWHERE

AS PRESSURE ON THE ITALIANS.

11. CHAIRMAN HAMILTON REQUESTED A COORDINATED EXECUTIVE BRANCH POSITION ON BOTH PIECES OF LEGISLATION, IF POSSIBLE WITHIN THE NEXT TWO WEEKS. IN RESPONSE TO FURTHER QUESTIONS, DEA CLARIFIED ITS EARLIER STATEMENT THAT 25 PERCENT OF THE HEROIN IN THE UNITED STATES COMES THROUGH BULGARIA: THAT MIGHT HAVE BEEN THE SITUATION IN 1978 OR SO, ACCORDING TO LAWN, BUT NOW THE FIGURE IS PROBABLY SOMETHING LESS THAN 10 PERCENT. ONLY AN UNSPECIFIED PART OF THAT COULD BE HANDLED BY KINTEX, HE STATED. SHULTZ

END OF MESSAGE

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